

3.70% Multi Defender VONTI on iShares MSCI Brazil, Market Vectors – Russia ETF, WisdomTree India Earnings ETF, iShares FTSE/Xinhua China 25 Index

Barrier monitoring at maturity

PRODUCT DESCRIPTION

Multi Defender VONTI refer to several underlyings and are characterised upon issue by a nominal value and a guaranteed coupon as well as by conditional capital protection. The redemption at the end of the term is determined on the basis of the performance and final fixing of the respective underlyings: A redemption at the nominal value is guaranteed as long as the underlyings have not touched their barriers during relevant barrier monitoring. If one of the underlyings has touched its barrier but all underlyings are again above the respective strike prices at final fixing, the nominal price is also repaid. If, however, one of the underlyings has touched its barrier during barrier monitoring and at least one of the underlyings closes below its strike price at final fixing, the number of underlyings is delivered with the poorest performance or a cash compensation is paid (for details see "Redemption/delivery").

In Switzerland, these financial instruments are considered structured products. They are not collective investment schemes within the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA), and are therefore not subject to the regulations of the CISA or the supervision of the Swiss Financial Market Supervisory Authority FINMA.

Product Information

Issuer	Vontobel Financial Products Ltd., DIFC Dubai
Guarantor	Vontobel Holding AG, Zurich (Standard & Poor's A; Moody's A2)
Lead Manager	Bank Vontobel AG, Zurich
Paying, exercise and calculation agent	Bank Vontobel AG, Zurich
Placement Agent	Aspermont Capital AG, Zürich
SSPA product type	Barrier Reverse Convertible (1230), see also www.svsp-verband.ch

Underlyings	iShares MSCI Brazil Index Fund Market Vectors - Russia ETF WisdomTree India Earnings Fund, ETF iShares FTSE/Xinhua China 25 Index (further details on the underlyings see below)
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Issue price	100%
Notional	USD 1000.00

Strikes / Barriers	Underlying	Strike	Barrier (in %)
	iShares MSCI Brazil Index Fund	USD 72.82 (100%)	USD 54.62 (75%)
	Market Vectors - Russia ETF	USD 38.81 (100%)	USD 29.11 (75%)
	WisdomTree India Earnings Fund, ETF	USD 23.06 (100%)	USD 17.30 (75%)
	iShares FTSE/Xinhua China 25 Index	USD 42.53 (100%)	USD 31.90 (75%)

Barrier monitoring	At final fixing, July 15, 2011 (closing prices)
Coupon	3.70% (10.91803% p.a.) - one-time payment, actual/360 (total duration: 122 days)
Interest component	0.12% (premium component: 3.58%)

Initial fixing	March 15, 2011
Payment date	March 22, 2011
Last trading day	July 15, 2011 (12:00 CET)
Final fixing	July 15, 2011, closing prices
Repayment date	July 22, 2011

Reference currency	USD; issue, trading and redemption will follow in the reference currency
Swiss Security Number / ISIN / Vontobel Symbol	1257 1935 / CH0125719358 / -

Settlement mode	<ul style="list-style-type: none"> - In the event that none of the underlying securities reach or fall below the relevant barrier at final fixing, both the coupon and 100% of the nominal value shall be repaid. - In the event that one or more of the underlying securities reach or fall below the relevant barrier at final fixing, the nominal value minus the percentage difference between the strike price and the closing price of the underlying with the most negative performance shall be paid out. Furthermore, the coupon shall be payable on the maturity date.
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Further Information

Issue size	30'000 Multi Defender VONTI, the size may be increased
Clearing / Settlement	SIX SIS AG
Listing	None
Secondary market trading	Throughout the entire term a secondary trading is conducted. Indicative daily prices of this product are available at www.derinet.ch .
Price setting	Secondary market price quotations are "clean," that is, accumulated interests are not included.
Minimum investment	1 Multi Defender VONTI
Minimum trading lot	1 Multi Defender VONTI
Tax treatment in Switzerland	<p>This product qualifies as transparent with predominantly one-off interest payments (IUP). The return determined on the bond component of the product for the holding period is subject to direct federal taxes (modified taxation of the difference). For foreign currency products, please note that the daily exchange rates applied may constitute a key factor.</p> <p>Neither withholding tax nor the stamp duty at issuance is imposed.</p> <p>Secondary market transactions are not subject to Swiss stamp duty. If delivery of the underlying is stipulated, the securities transfer tax may, however, be imposed.</p> <p>For Swiss paying agents the interest part of the coupon is subject to the EU tax on interest (TK6). The above taxation is a non-binding summary of the tax implications applicable to private investors resident in Switzerland.</p> <p>The specific situation of the investor has, however, not been considered for the summary; furthermore, tax legislation and tax-administration practices may change at any time. Potential investors should have the tax effects of the purchase, holding, sale or repayment of this product examined by their own tax adviser - especially with respect to the effects of taxation under another jurisdiction.</p>
Net present value of bond components upon issue	USD 1000.00
Discounting factor (IRR) upon issue	0.35760%
Title	<p>The structured products are issued in the form of non-certificated book-entry securities of the issuer.</p> <p>No certificates, no printing of bonds.</p>
Early termination	Only possible for fiscal or other extraordinary reasons (as specified in detail in the issuance programme).
Applicable Law / Jurisdiction	Swiss law / Zurich 1, Switzerland
Prudential supervision	As a bank, Bank Vontobel AG is subject to the supervision of individual banks, while Vontobel Holding AG and Vontobel Financial Products Ltd. as group member companies are subject to complementary, consolidated group supervision by the Federal Financial Markets Regulator FINMA. Vontobel Financial Products Ltd. is registered in the register of the Dubai International Finance Centre as a non-regulated company.
Description of the underlying iShares MSCI Brazil Index Fund, ETF	<p>Name: iShares MSCI Brazil Index Fund, ETF</p> <p>Fund management/company: iShares MSCI Brazil Index Fund, BlackRock Fund Advisors, 400 Howard Street, San Francisco, CA 94105, USA</p> <p>Identification: ISIN US4642864007 / Swiss Sec. No. 1106388 / Bloomberg <EWZ UP Equity></p> <p>Reference stock exchange: NYSE ARCA</p> <p>Performance: Available at www.bloomberg.com (Symbol: EWZ:UP)</p> <p>Collective capital investment licensed for public sale in Switzerland: No</p>
Description of the underlying Market Vectors - Russia, ETF	<p>Name: Market Vectors - Russia ETF, ETF</p> <p>Fund management/company: Market Vectors Russia, Market Vectors ETF Trust, 335 Madison Ave, New York, NY 10017, USA</p> <p>Identification: ISIN US57060U5065 / Swiss Sec. No. 3080078 / Bloomberg <RSX UP Equity></p> <p>Reference stock exchange: NYSE ARCA</p> <p>Performance: Available at www.bloomberg.com (Symbol: RSX:UP)</p> <p>Collective capital investment licensed for public sale in Switzerland: No</p>
Description of the underlying WisdomTree India Earnings Fund, ETF	<p>Name: WisdomTree India Earnings Fund, ETF</p> <p>Fund management/company: WisdomTree ETFs USA</p> <p>Identification: ISIN US97717W4226 / Swiss Sec. No. 3815910 / Bloomberg <EPI UP Equity></p> <p>Reference stock exchange: NYSE ARCA</p> <p>Performance: Available at www.wisdomtree.com (Symbol: EPI UP)</p> <p>Collective capital investment licensed for public sale in Switzerland: No</p>
Description of the underlying iShares FTSE/Xinhua China 25 Index, ETF	<p>Name: iShares FTSE/Xinhua China 25 Index, ETF</p> <p>Fund management/company: BlackRock Fund Advisors USA</p> <p>Identification: ISIN US4642871846 / Swiss Sec. No. 1968959 / Bloomberg <FXI UP Equity></p> <p>Reference stock exchange: NYSE ARCA</p> <p>Performance: Available at www.ishares.com (Symbol: FXI UP)</p> <p>Collective capital investment licensed for public sale in Switzerland: No</p>

PROSPECTS OF PROFIT AND LOSSES

Any possible gain results from the guaranteed fixed coupon. Nevertheless, there is an upper limit to the gain as a maximum of the nominal value plus the coupon is paid.

These products have only conditional capital protection defined by the individual barriers: If at least one of the underlyings touches or breaches its barrier during barrier monitoring, this conditional capital protection ceases to apply immediately. Investors should be aware that this can happen at any time during relevant barrier monitoring (period of time, resp. point(s) of time). Accordingly, the risks of an investment in a Multi Defender VONTI are considerable; given upwardly limited chances of gains, they correspond largely to the risks of a direct investment in the underlying with the poorest performance. The lower the closing price of the underlying with the poorest performance after falling below its barrier, the greater the losses sustained. In extreme cases (with a closing price of one underlying of zero), the maximum loss can lead to a loss of the capital invested.

Even if the performance of the underlyings is positive and the barriers are not touched, the price of the product during the term can be considerably below the issue price. Potential investors should bear in mind that price changes to the underlyings, as well as other influencing factors, may have a negative effect on the value of structured products.

SIGNIFICANT RISKS FOR INVESTORS

Currency risks

If the underlying or underlyings is/are denominated in a currency other than the product's reference currency, investors should bear in mind that this may involve risks due to fluctuating exchange rates and that the risk of loss does not only depend on the performance of the underlying(s) but also on any unfavourable performance of the other currency or currencies. This does not apply for currency-hedged products (quanto structure).

Market risks

The general market performance of securities is dependent in particular on the development of the capital markets which, for their part, are influenced by the general global economic situation as well as by the economic and political framework conditions in the respective countries (so-called market risk). Changes to market prices such as interest rates, commodity prices or corresponding volatilities may have a negative effect on the valuation of the underlying(s) or the structured product. There is also the risk of market disruptions (such as trading or stock market interruptions or discontinuation of trading) or other unforeseeable occurrences concerning the respective underlyings and/or their stock exchanges or markets taking place during the term or upon maturity of the structured products. Such occurrences can have an effect on the time of redemption and/or on the value of the structured products.

Secondary market risks

Under normal market conditions, the issuer or the lead manager intend to post bid- and ask-prices on a regular basis. However, neither the issuer nor the lead manager is under any obligation with respect to investors to provide such bid- and ask-prices for specific order or securities volumes, and there is no guarantee of a specific liquidity or of a specific spread (i.e. the difference between bid- and ask-prices), for which reason investors cannot rely on being able to purchase or sell the structured products on a specific date or at a specific price.

Issuer risk

The value of structured products may depend not only on the performance of the underlying(s), but also on the creditworthiness of the issuer/guarantor, which may change during the term of the structured product. The investor is exposed to the risk of default of the issuer/guarantor. For further information on the rating of Vontobel Holding AG or Bank Vontobel AG, please see the issuance programme.

Publication of notifications

All notifications to investors concerning the products and adjustments to the product terms (e.g. due to corporate actions) are published at www.derinet.ch, and, in the case of products listed on the SIX Swiss Exchange in accordance with the valid provisions at www.six-swiss-exchange.com.

Classification

In Switzerland, these financial instruments are considered structured products. They are not collective investment schemes within the meaning of the Swiss Federal Act on Collective Investment Schemes (CISA), and are therefore not subject to the regulations of the CISA or the supervision of the Swiss Financial Market Supervisory Authority FINMA.

Restrictions on sales

U.S.A., U.S. persons, UK, EEA, DIFC Dubai (UAE). This private placement is appointed only for qualified investors in accordance with Art. 10 Par. 3 CISA.

Further risk information

Please also note the additional risk factors and selling restrictions set out in detail in the issuance programme.

LEGAL NOTICES

Product documentation

The original version of the Termsheet is in German; foreign-language versions constitute non-binding translations. The issuer and/or Bank Vontobel AG is entitled to correct spelling mistakes, calculation or other obvious errors in this Termsheet and to make editorial changes, as well as to amend or supplement contradictory or incomplete provisions, without the consent of the investors.

Up until the fixing date, the product terms of the "Termsheet (Indication)" are indicative and may be adjusted. The issuer is under no obligation to issue the product. The "Termsheet (Final Terms)" contains a summary of the most important final terms and information, and constitutes the "Final Terms" pursuant to art. 21 of the Additional Rules for the Listing of Derivates of SIX Swiss Exchange. Together with the issuance programme of March 08, 2011, registered with SIX Swiss Exchange (the "Issuance Programme"), the Final Terms constitute the complete listing prospectus according to the Listing Rules. In the event of discrepancies between this Termsheet and the Issuance Programme, the provisions of the Final Terms shall take precedence.

For structured products not listed on the SIX Swiss Exchange, the Termsheet constitutes the simplified prospectus pursuant to art. 5 of the Federal Act on Collective Investment Schemes (CISA). In addition, reference is also made (with the exception of the provisions authoritative for a listing) to the Issuance Programme, in particular to the detailed information on risks contained therein, to the General Terms and Conditions and to the descriptions of the corresponding product types.

During the entire term of the structured product, all documents may be ordered free of charge from Bank Vontobel AG, Financial Products documentation, Dreikönigstrasse 37, 8002 Zurich (telephone: +41 (0)58 283 78 88, fax +41 (0)58 283 57 67). Termsheets may also be downloaded on the www.derinet.ch website.

Further information

The list and information shown do not constitute a recommendation concerning the underlying in question; they are for information purposes only and do not constitute either an offer or an invitation to submit an offer, or a recommendation to purchase financial products. Indicative information is provided without warranty. The information is not a substitute for the advice that is indispensable before entering into any derivative transaction. Only investors who fully understand the risks of the transaction to be concluded and who are commercially in a position to bear the losses which may thereby arise should enter into such transactions. Furthermore, we refer to the brochure "Special Risks in Securities Trading" which you can order from us. In connection with the issuing and/or selling of structured products, companies from the Vontobel Group can pay reimbursements to third parties directly or indirectly in different amounts. Such commission is included in the issue price. You can obtain further information from your sales agent upon request. We will be happy to answer any questions you may have concerning our products on +41 (0)58 283 78 88 from 08.00 – 17.00 CET on bank business days. Please note that all calls to this number are recorded. By calling this number, your consent to such recording is deemed given.

Material changes since the most recent annual financial statements

Subject to the information in this Termsheet and the Issuance Programme, no material changes have occurred in the assets and liabilities, financial position and profits and losses of the issuer/guarantor since the reporting date or the close of the last financial year or the interim financial statements of the issuer and, as the case may be, of the guarantor.

Responsibility for the listing prospectus

Bank Vontobel AG takes responsibility for the content of the listing prospectus and hereby declares that, to the best of its knowledge, the information is correct and that no material facts or circumstances have been omitted.

Zurich, March 15, 2011

Bank Vontobel AG, Zurich

Your customer relationship manager will be happy to answer any questions you may have.



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